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*Proposed Counsel for the Official Committee  
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

PACIFIC GAS AND ELECTRIC COMPANY

Debtors and Debtors In Possession.

- ☒ Affects All Debtors  
☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company

*\* All papers shall be filed in the lead case, 19-30088 (DM)*

Case No.: 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**STATEMENT AND RESERVATION OF  
RIGHTS OF OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS WITH  
RESPECT TO CERTAIN MATTERS  
SCHEDULED FOR FEBRUARY 27  
HEARING**

Date: February 27, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

The Official Committee of Unsecured Creditors (the “Committee”) in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) hereby submits this statement and reservation of rights (this “Statement”) in connection with various motions of the

1 Debtors that are currently scheduled for consideration at the omnibus hearing on February 27, 2019  
2 (the “February 27 Hearing”).

3 By the Committee’s count, the Debtors have placed fifteen (15) motions on the agenda for  
4 the February 27 Hearing. Ten (10) of these motions were approved on an interim basis at the “first  
5 day” hearing in these cases, such that the February 27 Hearing will be a hearing where the Debtors  
6 will seek to make the interim orders on those motions final.<sup>1</sup>

7 The Committee has reviewed, analyzed and conducted sufficient due diligence on nine (9) of  
8 the motions (the “Committee Supported Motions”) to conclude that it is supportive of, and will not  
9 be interposing any objections to, the relief being sought in those motions.<sup>2</sup> The Committee  
10 Supported Motions consist of the following:

- 11 (i) Insurance Motion [Docket No. 9];
- 12 (ii) Prepetition Taxes Motion [Docket No. 11];
- 13 (iii) Lien Claimants Motion [Docket No. 13];
- 14 (iv) Exchange Operators Motion [Docket No. 15];
- 15 (v) Reclamation Motion [Docket No. 30];
- 16 (vi) 503(b)(9) Motion [Docket No. 31];
- 17 (vii) Utilities Motion [Docket No. 32];
- 18 (viii) Interim Compensation Procedures Motion [Docket No. 349]; and
- 19 (ix) Ordinary Course Professionals Motion [Docket No. 350].

20 With respect to five (5) of the remaining six (6) motions (the “Committee Reserved  
21 Motions”),<sup>3</sup> the Committee has been working (and continues to work) diligently to reach a consensus  
22 with the Debtors, but is not yet in a position to support those motions. The Committee’s good faith

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23 <sup>1</sup> The five motions scheduled for the February 27 Hearing that were not considered at the first day hearing are  
24 the: (i) Reclamation Motion; (ii) 503(b)(9) Motion; (iii) Utilities Motion; (iv) Interim Compensation Procedures  
25 Motion; and (v) Ordinary Course Professionals Motion. The Debtors have also filed a Case Management  
Motion [Docket No. 352].

26 <sup>2</sup> The Committee has, however, requested certain changes to the corresponding proposed orders and confirmatory  
27 diligence that the Committee anticipates will be resolved prior to the February 27 Hearing.

28 <sup>3</sup> Just prior to the filing of this Statement, the Debtors advised the Committee that they are willing to adjoin the:  
(i) DIP Motion; (ii) Customer Programs Motion; (iii) Cash Management Motion; and (iv) Operational Integrity  
Motion.

1 efforts with respect to the Committee Reserved Motions are detailed below. To the extent the  
2 Committee needs additional time to diligence the Committee Reserved Motions and resolve any  
3 open issues with the Debtors, the Committee believes that a brief adjournment of the hearing on  
4 those motions to allow the Committee to complete its work is preferable to a contested February 27  
5 Hearing on these matters. The Committee Reserved Motions consist of the following:

- 6 (i) Cash Management Motion [Docket No. 7];
- 7 (ii) Employee Wages and Benefits Motion [Docket No. 8];
- 8 (iii) Operational Integrity Motion [Docket No. 12];
- 9 (iv) Customer Programs Motion [Docket No. 16]; and
- 10 (v) DIP Motion [Docket No. 23].

11 Finally, the Committee opposes on a limited basis the remaining motion that is neither a  
12 Committee Supported Motion nor a Committee Reserved Motion – namely, the Debtors’ NOL  
13 Motion [Docket No. 10]. The Committee will be filing a separate limited objection to the NOL  
14 Motion to be heard at the February 27 Hearing.

#### 15 **STATEMENT AND RESERVATION OF RIGHTS**

16 The Committee supports the Committee Supported Motions. And to be clear, the  
17 Committee does not necessarily take issue with any of the relief being requested in the Committee  
18 Reserved Motions at this time. With respect to the Committee Reserved Motions, however, the  
19 Committee has not yet had sufficient time or access to sufficient information to properly diligence  
20 and investigate certain issues that the Committee has identified with respect to those motions.

21 The Committee was only appointed on February 12, 2019 – just fifteen days in advance of  
22 the February 27 Hearing. The Committee promptly hired legal and financial advisors and got to  
23 work on all of the pending motions (among other things). And while the Committee’s advisors  
24 immediately reached out to the Debtors’ advisors and the dialogue has been cooperative and  
25 constructive, time constraints have been tight. As a logistical matter, while information started to be  
26 sent to the Committee’s advisors on February 18, information necessary for the Committee to  
27 properly evaluate all of the pending motions only started flowing in earnest on February 20.

28 Since its formation, the Committee has been working closely and so far productively with the

1 Debtors' advisors to obtain the necessary diligence information, narrow the Committee's issues, and  
2 try to consensually resolve any remaining concerns before the Hearing. The fact that the Committee  
3 has been able to put to bed the nine (9) Committee Supported Motions is testament to both the  
4 Committee's efforts and the Debtors' cooperation. Simply put, however, there has not been enough  
5 time to perform the proper diligence and formulate positions on the Committee Reserved Motions  
6 based on the information provided by the Debtors prior to the Committee's objection deadline of  
7 February 22. The Committee is optimistic that it will reach a consensual resolution to its  
8 outstanding issues on the Committee Reserved Motions upon receipt of all requested information  
9 and, in general, seeks to avoid cluttering the Court's docket with unnecessary objections. But  
10 pending closure on the Committee Reserved Motions prior to the February 27 Hearing, the  
11 Committee submits this Statement seeking an adjournment of the Committee Reserved Motions until  
12 March 12, the next omnibus hearing scheduled in these cases. Any prejudice to such delay will be  
13 minimal given that the Debtors have been granted interim relief with respect to each of the  
14 Committee Reserved Motions, and the Committee has no objection to such continued relief until the  
15 March 12 hearing date.

16 The Committee reserves all rights to respond to the motions at or prior to the Hearing, to  
17 supplement this Statement, and to otherwise be heard by the Court with respect to these matters.

18  
19 DATED: February 22, 2019

MILBANK LLP

20 /s/ Thomas R. Kreller

21 DENNIS F. DUNNE

22 SAMUEL A. KHALIL

23 PAUL S. ARONZON

GREGORY A. BRAY

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24 *Proposed Counsel for the Official Committee of*  
25 *Unsecured Creditors*  
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27  
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